

# Program D

## Auxiliary Account

Account Authorization: Act 18 of 1996

The Auxiliary Account provides services to other agencies and programs. This account is funded with interagency transfers and fees and self-generated revenues. The interagency transfers are derived from charging state agencies for various services. Fees and self-generated revenues are derived from charging other entities for services provided by these functions. The Auxiliary Account is made up of the following:

- Community Development Block Grant Revolving Fund
- Pentagon Courts
- State Register
- Louisiana Equipment Acquisitions Fund (LEAF)
- Cash Management
- Travel Management Program
- State Buildings Repair and Major Maintenance Fund.

**Community Development Block Grant (CDBG) Revolving Fund:** The CDBG Revolving Loan fund represents "program income" received as a result of projects funded in prior fiscal years. This income is derived from repayments of past loans, other income received as a result of rent payments on buildings constructed with CDBG funds, or sale of assets from prior grantees that are in default. Under federal regulations, these funds are limited in use to the funding of future CDBG loan requests that meet Department of Housing and Urban Development (HUD) requirements of benefit to low and moderate income persons. Currently, all funded loan requests through the CDBG Economic Development Program are funded through the Revolving Loan fund. The total amount of funds loaned that now produce income for the fund is in excess of \$7 million and a total of 490 new jobs have been created as a result. To date, three additional projects, which have created or will create a total of 161 jobs in the state, have been funded through the Revolving Loan Fund.

**Pentagon Courts:** This activity accounts for the revenue and expenditures associated with routine operating and maintenance cost of the four buildings known as the Pentagon Courts. The revenue stream is rental payments from tenants in the apartments as well as rental of office space utilized by the Office of the Lieutenant Governor. Expenditures of this activity are payments to State Buildings and Grounds for cost incurred in operating and maintaining the buildings.

**State Register:** The Office of the State Register is responsible for: (1) publishing, monthly the Louisiana Register, containing state agency rules as these go through the formal rulemaking process; and (2) maintaining the Louisiana Administrative Code, a set of permanent volumes of agency rules formally adopted and amended with legislative authority and through legal rulemaking procedure. The Louisiana Register is the state's official medium for making administrative law documents public. In addition to the publishing of state agency rules, the Louisiana Register also includes the publication of executive orders, policy and procedure memoranda, and public meeting notices, professional examination dates, and other legal matters of interest. The Louisiana Administrative Code is a state-certified publication that provides a set of permanent rules that have been formally adopted or amended by state agencies. All information appears in codified form with authority and historical notes.

**Louisiana Equipment Acquisitions Fund (LEAF):** The LEAF activity provides a means for state agencies to acquire equipment on an installment purchase basis. Equipment financed through LEAF includes those items, which historically have been rented or leased, and those equipment items historically placed in the bond portion of the capital outlay bill. Features of the activity include: (1) all equipment procured under the Louisiana Procurement Code, (2) equipment approved by the Office of Planning and Budget for funds availability and program necessity, (3) interest rates better than could be obtained through competitive bid, and (4) continues to provide agencies opportunities to acquire equipment for less cost than renting or leasing.

**Cash Management:** This activity provides the state a mechanism to reimburse the federal government for excess interest earnings on federal funds drawn, in cases of noncompliance with the Cash Management Improvement Act agreement between the State of Louisiana and the U.S. Treasury.

**Travel Management Program:** The State Travel Office administers the development, implementation, and programmatic matters for statewide, domestic, and international travel services. This includes all contracts as well as the development of rules and regulations. The State Travel Office contracts with a prime travel agency in Baton Rouge with subcontractors in major Louisiana cities. Louisiana's use of a centralized Travel Management Program has saved the state millions of dollars per year for travel-related services. The FY 1996-97 saving for the state was approximately \$3 million. Government rates for vehicle rentals (10% - 15% savings).

The State Travel Office received an award from the Society of Travel Agents in Government as 1994 Outstanding Best Government Travel Program.

State Buildings Repair and Maintenance Fund: This activity accounts for the revenue and expenditures associated with major repair/acquisition cost, not provided for in the capital outlay bill, in buildings maintained by State Buildings and Grounds. The revenues generated are a part of the rental rate charged to tenants in the buildings. For FY 1997-98, the annual charge per usable square foot occupied is \$.20.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$338,654	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	6,896,059	30,722,350	30,722,350	30,651,150	30,651,150	(71,200)
Fees & Self-gen. Revenues	1,321,146	5,281,398	5,281,398	5,663,530	5,660,633	379,235
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u><u>\$8,555,859</u></u>	<u><u>\$36,003,748</u></u>	<u><u>\$36,003,748</u></u>	<u><u>\$36,314,680</u></u>	<u><u>\$36,311,783</u></u>	<u><u>\$308,035</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	8,555,859	36,003,748	36,003,748	36,314,680	36,311,783	308,035
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	<u><u>\$8,555,859</u></u>	<u><u>\$36,003,748</u></u>	<u><u>\$36,003,748</u></u>	<u><u>\$36,314,680</u></u>	<u><u>\$36,311,783</u></u>	<u><u>\$308,035</u></u>
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

## SOURCE OF FUNDING

This account is funded with Interagency Transfers and Fees and Self-generated Revenues. The Interagency Transfers are derived from charging state agencies for various services. Fees and Self-generated Revenues are derived from charging other entities for services provided by these functions.

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$36,003,748	0	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$36,003,748	0	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$2,383	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$514	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	(\$2,897)	0	Attrition Adjustment
\$0	\$16,064	0	Other Annualizations for partially funded positions in FY 99-00
\$0	\$17,132	0	Other Adjustments for the Community Development Block Grant Revolving Loan
\$0	\$6,039	0	Other Adjustments for Travel Management operating expenses
\$0	\$268,800	0	Other Adjustments for the State Building Auxiliary Fund
\$0	\$0	0	Net Means Of Financing Substitutions replacing \$500,000 Interagency Transfers with Fees and Self-generated Revenues to realign revenues in the LEAF Auxiliary
\$0	\$0	0	Net Means Of Financing Substitutions replacing \$100,000 Fees and Self-generated Revenues with Interagency Transfers to realign revenues in the State Register Auxiliary
\$0	\$0	0	Net Means Of Financing Substitutions replacing \$60,000 Fees and Self-generated Revenues with Interagency Transfers to realign revenues in the Pentagon Courts Auxiliary
\$0	\$36,311,783	0	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$36,311,783	0	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL

			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$0</b>	<b>\$36,311,783</b>	<b>0</b>	<b>GRAND TOTAL RECOMMENDED</b>

The total means of financing for this program is recommended at 100.0% of the existing operating budget. It represents 99.9% of the total request (\$36,314,680) for this program.

## PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2000 - 2001.

## OTHER CHARGES

\$3,535,880	Community Development Block Grant Revolving Fund-Payback from local governing bodies to make additional loans for economic development
\$230,000	Pentagon Courts - Rent paid by tenants for upkeep of the buildings
\$430,000	State Register - Revenue generated by sale to state agencies
\$30,000,000	LEAF - Interest Income generated by this activity
\$250,000	Cash Management - Interest income received from the federal government for paying any potential interest that may be due to the federal government
\$147,103	Travel Management Program - Income from contracted travel agency for operating expenses associated with this office
\$1,618,800	State Building Repair and Major Renovations - Revenue received from state agencies for repairs and renovations
\$100,000	Legal Construction Litigation - To provide expenses for expert witnesses
<b>\$36,311,783</b>	<b>TOTAL OTHER CHARGES</b>

## ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2000 - 2001.